Rexall Drug to Acquire Wisconsin Plastics Firm

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LOS ANGELES—Rexall Drug Co. has completed negotiations to acquire Chippewa Plastics, Inc., of Wisconsin, C. W. Anderson, Rexall vice president, and D. R. Williams, Chippewa president, announced. The acquisition would extend Rexall's recent expansion into the plastics field.

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The proposal, subject to approval of Chippewa stockholders, calls for the exchange of one share of Rexall capital stock for two shares of Chippewa common with "appropriate adjustments" for Chippewa preferred stock. A sqecial meeting of Chippewa holders will be called "shortly," the announcement said.

Mr. Williams said Chippewa would operate as an independent division with present personnel. Its headquarters, he said, would remain in Chippewa Falls, Wisc.

The acquisition would be Rexall's third purchase of firms in the plastics field in the past year. Last fall, it acquired Tupper Corp., maker of plastic dishes and other plastic home products, as part of its Chemo-Plastics division. A month earlier, Rexall had acquired Chemtrol Co. of Lynwood, Calif., a maker of plastic, non-corrosive valves, to complement a Rexall subsidiary that makes plastic pipe.

Chippewa has about 94,000 common shares and 15,000 convertible preferred shares outstanding, Mr. Williams said. The firm has about 450 shareholders, and 140 employes.

Chippewa's sales in 1958 amounted to $3,741,000, and net income, after taxes but before a special loss from liquidation of a subsidiary, was $55,000, Mr. Williams said.